



Mayor Eric A. Papenfuse

**Request for Letter of Interest
RF-LOI# 2019-01
Office of City Engineer
Water and Wastewater System Acquisition**

Submittal Deadline:

September 16, 2019 5PM

City Engineer Contract Contact:

Name: Wayne Martin

Phone: 717-255-3178

Email: wsmartin@harrisburgpa.gov

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NOTICE TO INTERESTED ORGANIZATIONS

1. Interested organization representatives must read all documents prior to submitting a letter of interest.
2. For consideration, the required Letter of Interest and any related materials must be completed and emailed to City Engineer Wayne Martin — <mailto:wsmartin@harrisburgpa.gov> prior to the submittal deadline.
3. Upload a Letter of Interest along with all supplemental documents as a single pdf file (file name required: "Company Name RFP 2019-0__ RFLOI Documents").
4. Any letter submitted as provided herein constitutes an intention to supply information for consideration and is NOT A BID.
5. The issuance of this Request for Letters of Interest ("RFLOI") constitutes only an invitation to submit letters to the CITY and is not to be construed as an official and customary request for bids or request for proposals.
6. The City will not be responsible for any costs associated with the preparation, submittal or presentation of any letter or related material.
7. Interested Organizations that wish the content of their Letter of Interest to remain confidential shall ensure their LOI, or portion thereof, is clearly marked as "CONFIDENTIAL" and clearly state in the LOI the claimed exemption pursuant to the Pennsylvania Right to Know Law, 65 P.S. § 67.101, et seq. Confidential LOI will be opened and reviewed by the review committee only.
8. Should the City ultimately determine that a transfer of system ownership, operation and control should best serve the public interest, the submission of a Letter of Interest in response to this Notice shall not be deemed to be a disqualifying contact in the course of any future bid or RFP process.

EXHIBIT A INTRODUCTION AND SCOPE OF REQUEST

Introduction

Maintaining a high-quality water supply and efficient wastewater and stormwater treatment operation was a mixed responsibility of the City of Harrisburg and a related municipal authority for many years, with mixed operational and ownership interests. In an effort to improve service and satisfy the related operational, regulatory and environmental demands that assure high-quality water, wastewater and stormwater services, the municipal authority, currently known as Capital Region Water (CRW), agreed to act as the sole owner and operator of the system through a series of agreements, with a transition to sole operational functions commencing in 2013.

The City seeks to build upon the progress achieved by the municipal authority and reduce the costs borne by ratepayers and, accordingly, issues this Request for Letters of Interest by firms who would be capable of undertaking the ownership and operational control of all assets, liabilities and obligations associated with the services required of CRW, including water storage, treatment, and distribution; all sewer-related infrastructure and services; and all stormwater-related infrastructure and services. The contemplated offering would include all assets, liabilities and obligations associated with an independent and combined stormwater-wastewater treatment operation, any conveyance, and pumping, as well as all aspects of the water, sewer and storm-water operations. An interested firm would be required to undertake or otherwise secure related billing, administration, and engineering services. This will not be an operate-and-maintain relationship with the City or the municipal authority, but rather an opportunity for an interested firm to take full ownership of water, wastewater and stormwater assets and all related obligations.

The City of Harrisburg is soliciting Letters of Interest (LOI) from industry firms that may desire to acquire all the related assets and obligations of the City and its municipal authority for these services. A majority of the 20,300 water customers are in the City limits. Remaining water customers are in Susquehanna Township and Penbrook Borough. The estimated population served by the existing water system is 61,300. Currently, the wastewater system processes over 4.0 billion gallons for

City residents and suburban communities on an annual basis. The suburban communities served by the wastewater system are Penbrook Borough, Paxtang Borough, Swatara Township, Lower Paxtang Township, Susquehanna Township, and Steelton Borough.

Scope of Request

The City is requesting qualifications from interested Firms. Firms shall provide operational history, proof of financial viability and other information as required from the City Engineer. This is not a request for a bid, rather this is an opportunity for the City to learn more about firms interested in taking an ownership role in the water, sewer and stormwater systems serving Harrisburg and the surrounding communities.

LOI's from interested firms shall be reviewed by an Interview Committee, (IC). The IC shall determine which interested firms will be invited to participate in the Interview Process. If an interested firm is selected for an interview by the IC, the Firm will not be given any exclusive rights to bid or denied the right to submit a responsive bid or proposal. All Interested firms that submit a LOI to the City Engineer will be notified by the IC's decision to proceed with an interview or not.

All interviews will occur on or around the week of September 23, 2019.

The City offers the following details about the existing water/wastewater systems:¹

Wastewater System:

Existing customer base includes about 17,000 active connections in the City as well as customers from the surrounding suburban communities. Over 50% of the wastewater revenue comes from treating wastewater streams from the suburban communities. Average daily wastewater flows are approximately 20.9MGD.

¹ See Consulting Engineer's Annual Report issued to CRW and other financial information, <https://capitalregionwater.com/financialreports/>

The City and its municipal authorities offer the following wastewater assets:

1. Advanced Wastewater Treatment Facility; 45 MGD Peak Flow
2. Five (5) pumping stations; 72.96 MGD Peak Flow, Combined
3. Thirty-six (36) miles of sanitary sewers, (approx.)
4. Forty (40) miles of stormwater sewers, (approx.)
5. One hundred and one (101) miles of combined sanitary and stormwater sewers, (approx.)

Water System:

The primary source of water is a 22 square mile watershed located approximately 20 miles north of the City. A secondary water source is the Susquehanna River. The combined sources are delivering approximately 1.9 billion gallons annually to the 20,300 active meter connections in the City and surrounding suburban communities.

The City and its municipal authorities would offer the following water assets:

1. DeHart Dam and Reservoir; 6 billion gallon capacity
2. Susquehanna River Intake; 30 MGD pumping capacity
3. Dr. Robert E. Young WSCTF; 20 MGD design flow
4. Upper Reservoir; 28 MG capacity
5. Lower Reservoir #1; 6 MG capacity
6. Lower Reservoir #2; 6 MG capacity
7. Susquehanna River Pump Station; 14K GPM (one pump OOS)
8. Gate House Pump Station; 8.7K GPM (one pump OOS)
9. Union Square Booster Station; 750 GPM constant pressure—1000 GPM Fire Pump
10. Twenty (20) miles of 42-inch diameter transmission mains
11. Two Hundred Thirty (230) miles of distribution piping ranging from 2-inch to 36-inches.
12. One Thousand Eight Hundred (1,800) Fire Hydrants
13. Five Thousand Three Hundred Seventy (5,370) main valves
14. Twenty Thousand Three Hundred Thirty (20,330) service valves

EXHIBIT B FORMAT AND CONTENT

Format

The City encourages that Letters of Interest be in a concise and summary form. Interested firms should provide the information requested and other materials it deems helpful to demonstrate capacity, experience and expertise to successfully acquire and operate the systems.

Any additional information should be clearly labeled, numbered and tabbed.

References

Provide a list of no less than two references of organizations or entities serviced by your organization that are similar to those described in this request. References must be satisfactory as deemed solely by the IC. Reference information shall include:

- Company/Agency name;
- Contact person (name and title), who must be someone directly involved with the services;
- Complete street address;
- Telephone number;
- Type of business; and
- Dates of service.

The City reserves the right to contact any of the references provided in order to determine an interested firm's performance record on work similar to that described in this request. The City reserves the right to contact others who have worked with the interested firms in similar or comparable projects

Appendices

The content of an Appendix is left to the firm's discretion. However, the firm should limit materials included here to those that will be helpful to the Interview Committee in understanding the qualifications, experience and interest of the interested firm.

EXHIBIT C SUBMISSION INSTRUCTIONS

1. Submission of Letter

Letters should be submitted electronically to the City Engineer Wayne Martin at the address listed below. In the alternative, paper copies are acceptable. Letters of Interest should not exceed 3 pages. The letter should briefly describe the interested firm's operational and financial ability to effectively manage the Water, Wastewater Treatment Facility, an Advanced Wastewater Treatment Facility and Storm Water systems.

Required Attachments to be included with letter:

Attachment 1 -- A listing of existing Water/Wastewater facilities in the interested firm's portfolio.

Attachment 2 -- The most recent Annual Report(s) or Executive Summary that offers your operating data summary for existing facilities and the Capital Improvement(s) Plan(s) and Report(s) for your existing facilities.

Attachment 3 -- Key Resumes for Management and Operations Team.

Attachment 4 -- Proof of a Nine Minimum Controls Plan for any existing facilities in the firm's portfolio, including strategy(ies) for implementation and review. If the firm's facilities are numerous, a sampling of facilities similar in size and scope will be satisfactory. The City's preference is to review materials for an interested firm's facilities operating in Pennsylvania, subject to the regulatory requirements at issue here.

Attachment 5 -- A sampling of MS4 Application(s) for existing facilities in the firm's portfolio, preferably for a facility in Pennsylvania.

Submit to:

City of Harrisburg
Office of City Engineer
123 Walnut Street, Suite 212
Harrisburg, PA 17101
wsmartin@Harrisburgpa.Gov

2. Due Date

Letters will be accepted at Public Safety Building, Office of the City Engineer, 123 Walnut Street, Suite 212, Harrisburg, PA, 17101 until 5:00 P.M., local prevailing time

on the due date posted. Please note that this deadline is for actual materials received at City Government Center, not a postmark deadline. Letters received after this deadline will not be considered for an interview. Email submissions are encouraged but not required.

3. Opening

Letters will be opened by the City Engineer and shared with the Interview Committee only.

4. Amendments to Submitted, Unopened Letters

Amendments to submitted letters will only be allowed if requests for such changes are received prior to the deadline set. No amendments will be accepted after the deadline unless such amendments are in response to a City request.

5. Required Review of RFLOI Package Defects

Prospective Firms shall carefully review this RFLOI for defects. Inquiries concerning defects or clarifications must be made in writing to wsmartin@harrisburgpa.gov and received at least five (5) business days prior to the due date of the submittal. This will allow time for the issuance of any necessary addenda.

6. Questions and Inquiries

All questions or inquiries must be submitted directly to wsmartin@harrisburgpa.gov.

7. Disclosure of Contents

All letters of interest and other material submitted become the property of the City and may be returned only at the City's option. Confidential information contained in the proposal(s) will not be disclosed; however, under the Pennsylvania "Right to Know" laws, any portion thereof determined to be a non-exempt public record, if any, will be required to be open to release.

Trade secrets and other proprietary data contained in proposals may be held confidential if a Proposer requests, in writing, that the City does so, and if the City agrees, in writing, to do so. Material considered confidential by the firm must be clearly identified and the firm must include a brief statement that sets out the precise legal basis that qualifies the record as confidential or otherwise exempt from disclosure.